

LABOR & WORKFORCE DEVELOPMENT

A quarterly publication for employers from the Tennessee Department of Labor & Workforce Development

March 2003

Trust Fund loses ground again

During each year since 1996, more benefits have been paid out of the Unemployment Insurance Trust Fund than the fund has received in employer premiums. This has resulted in a downward trend in the balance of the fund.

In March 2002, however, Tennessee unexpectedly received a \$162.6 million federal Reed Act distribution, which served to bolster the fund. [See *Dateline*, June 2002, and *Dateline*, December 2002.] While the Reed Act dollars can be allocated by Tennessee's General Assembly for other purposes, the funds presently remain in the Trust Fund. In the absence of Reed Act funds, Tennessee employers would likely be paying an additional \$100 million in premiums in 2003. Here's why: without the Reed Act funds, the Trust Fund balance would have dipped below \$450 million on December 31, 2002, and

Premium Table 1 would have taken effect instead of the current Premium Table 3. That, in turn, would have meant significantly higher premiums for most Tennessee employers.

So far this year, unemployment benefit payouts are averaging more than \$12 million a week. Projections for the remainder of 2003 indicate weekly payouts will average between \$10 and \$11 million; however, even with higher premium rates, benefits are projected to continue to exceed premium collections through 2005.

Even though the Trust Fund is expected to decline again this year, we remain confident that, in the absence of any major unforeseen economic downturn, Tennessee's Unemployment Insurance Trust Fund will remain solvent.

Take a close look at your premium rate

When completing your first quarter 2003 premium report, pay close attention to your premium rate. On January 1, 2003, Premium Table 3 went into effect, so there's a good chance that your first quarter rate shows an increase over the fourth quarter 2002, when Table 5 was still in effect. Why the change?

The Tennessee Employment Security Law requires that the balance in the Unemployment Insurance Trust Fund as of each June 30 and December 31 be used to determine which premium rate table will be in effect for the following six months. Unfortunately, the December 31 balance reflected a dramatic reduction in the fund during the last half of 2002 and necessitated the move to the higher-rate table.

Internet reporting now available

The Tennessee Premium and Wage Reporting System (TNPAWS) has been developed to accept quarterly unemployment Premium and Wage Reports via the Internet and is now available for use by all premium-paying employers. Although any number of employees may be reported using this system, TNPAWS was designed specifically for employers with fewer than 100 employees.

Due to the sensitive nature of the data, TNPAWS supports 128-bit encryption of transmitted data. Employers should visit the TNPAWS home page to verify that their browser meets the minimum requirements before filing their report. Links to two of the most popular

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Routing Box

- ☐ Personnel Director
- ☐ Manager
- ☐ Payroll Officer
- ☐ Other

James G. Neeley new TDLWD commissioner

Gov. Phil Bredesen named James G. Neeley as commissioner of the Tennessee Department of Labor and Workforce Development in January.

Neeley, who is active in a wide range of labor and workforce initiatives, is the former longtime president of the Tennessee AFL-CIO Labor Council and former president of the AFL-CIO Southern Region. He is chairman of the Tennessee Council on Vocational Education and chairman of the Tennessee Center for Labor-Management Relations, a partnership with the TDLWD, the University of Tennessee, Middle Tennessee State University, and the Tennessee Board of Regents.

"Jim understands the challenges facing Tennessee's working families and employers as we begin to turn around the economy," Bredesen said. "He also knows the importance of promoting a skilled, educated workforce to help Tennessee attract new jobs."

Neeley has more than 20 years experience in Workforce Development, Workers' Compensation, Employment Security, and Tennessee Occupational Safety and Health Act (TOSHA) programs and activities.

He has served on many local and national boards, including the United Way, the Alcohol and Drug Council, and the Federal Reserve Board in Atlanta.

Internet reporting (Cont.)

browsers are provided in the event you need to download a newer version of the software.

Employers do not need to register in advance with our department before using TNPAWS. Simply go to the TNPAWS home page (<http://tnpaws.tnui.net>) to register a unique User Name and Password. This information is used in conjunction with your eight-digit State Account Number and the four-digit Access Code provided by our department. Beginning with the first quarter of 2003, Access Codes will be assigned to every premium-paying employer and printed to the right of line 1 (Total Wages) on the Premium Report (LB-0456). For security reasons, the Access Code will change every quarter and will only be provided on the Premium Report; therefore, it is important to retain your report even if you intend to file via TNPAWS. In the event the report is misplaced, a replacement form may be requested from the Employer Services Unit of our Department at (615) 741-2486.

Once TNPAWS verifies the validity of the State Account Number and Access Code, the employer may choose to file either a "No Payroll" report or a Premium and Wage Report. A "No Payroll" report can be filed in a matter of minutes and without the need to incur postal charges. If a Premium and Wage report is being filed, the employer must enter each employee's Social Security Number, Name, and Gross Wages. TNPAWS will then calculate total, excess, and taxable wages before determining the premium amount due. Employers will be allowed to override the calculation, if they so choose, before submitting their report.

A confirmation number is assigned to each electronically submitted report to notify you that the information has been successfully transmitted to our department. The employer is then prompted to print a copy of the report for his records. If premiums are due on the report, you will also be prompted to print a payment coupon.

Remittance may be made in one of two ways: 1) Employers may elect to pay premiums to our department by Auto-

mated Clearing House (ACH) Credit or 2) may mail a check. If you elect to make payment by ACH Credit, you must make prior arrangements with your banking institution and you must have submitted an *Electronic Funds Transfer Agreement* to our department. A specified format must be used when initiating payments by ACH Credit. The *Electronic Funds Transfer Agreement* may be printed from the TNPAWS home page or the department's Web site. Details of the required format are provided on the department's Web site. Use of the ACH Credit payment eliminates the need to incur postal charges. If paying by check, be sure to enclose the payment coupon before mailing. The payment coupon ensures that your remittance will be applied to the submitted report. Failure to include the payment coupon may result in your account not being properly credited.

TNPAWS offers several advantages over paper reporting. The information gathered from TNPAWS does not have to be scanned or keyed and is more accurately processed. It is designed to calculate total, excess, and taxable wages, which eliminates mathematical errors. TNPAWS will always use the correct rate when calculating premiums due. Postal costs are eliminated when filing reports with no premiums due. Perhaps the most significant advantages TNPAWS offers over paper reporting are that the system will track taxable wages and will display, from one quarter to the next, individual employee wages submitted, thereby reducing the need to enter employees' names and Social Security Numbers quarter after quarter. The employer will then be able to add and/or delete employees to prepare his current quarter's report. This is an excellent reason to consider using TNPAWS beginning with the first quarter 2003.

While employers can begin using TNPAWS at any time during the year, we urge you to take advantage of the many features of TNPAWS by filing your report via the Internet starting this quarter. Please visit the TNPAWS homepage (<http://tnpaws.tnui.net>) today!

Knoxville Employer Accounts has new location

Our Knoxville Area Employer Accounts Office will soon be moving to a new building at 1610 University Avenue.

The new facility is scheduled to open April 1 and will also be home to all of the various operations of our agency, including the Job Service and Unemployment Claims offices.

The directory below lists all of the Employer Accounts office locations across the state. The staff at each of the offices is always available to help you with any questions or problems you may have concerning unemployment insurance reporting.

Chattanooga Employer Accounts

311 Martin Luther King Blvd.
Chattanooga, TN 37403
(423) 634-6220 Fax (423) 634-6354
Susan.Bauer@state.tn.us

Columbia Employer Accounts

204 West Fourth St.
Columbia, TN 38401
(931) 380-2507 Fax (931) 380-2586
Vickey.Powe@state.tn.us

Cookeville Employer Accounts

263 West Spring St.
Cookeville, TN 38501
(931) 526-3531 Fax (931) 528-6447
Linda.Bussell@state.tn.us

Humboldt Employer Accounts

1481 Mullins St.
Humboldt, TN 38343
(731) 784-7666 Fax (731) 784-7537
Steve.Bunch@state.tn.us

Johnson City Employer Accounts

206 High Point Drive
Johnson City, TN 37601
(423) 952-2261 Fax (423) 952-6057
George.Young@state.tn.us

Knoxville Employer Accounts

1610 University Ave.
Knoxville, TN 37921
(865) 594-6380 Fax (865) 594-6357
Billie.Grant@state.tn.us

Memphis Employer Accounts

1309 Poplar Ave.
Memphis, TN 38104
(901) 543-7543 Fax (901) 543-7882
Andrew.House@state.tn.us

Nashville Employer Accounts

2232 Metro Center Blvd.
Nashville, TN 37245-4100
(615) 741-2621 Fax (615) 741-3472
Kimberly.Barney@state.tn.us



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